

TRUSTEE'S DEED

THE STATE OF TEXAS §
 §
 COUNTY OF SAN PATRICIO §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, by that certain Deed Of Trust And Security Agreement (the "Deed Of Trust"), dated November 30, 1985, recorded under the San Patricio County Clerk's File No. 344362 of the Official Records of Real Property of San Patricio County, Texas, to which reference is hereby made for all purposes, Falcon Refining Company, as Grantor, conveyed to Richard F. Bergner, Trustee, the certain property (real, personal and/or mixed) situated in San Patricio County, Texas, and described on Exhibit "A," attached hereto and made a part hereof for all purposes, together with all buildings and improvements located thereon, said property (real, personal and/or mixed) described in said Exhibit "A," together with all buildings and improvements located thereon, being herein collectively referred to as the "Property");

WHEREAS, the Deed Of Trust secures the payment of the indebtedness evidenced by that certain (i) promissory note, dated November 30, 1985, in the original principal sum of Three Hundred Seventy-Six Thousand Nine Hundred Ninety-Five And No/100 Dollars (\$376,995.00), executed by Falcon Refining Company and payable to the order of American Energy Leasing, Inc., and (ii) promissory note, dated November 30, 1985, in the original principal sum of Two Million Two Hundred Thousand And No/100 Dollars (\$2,200,000.00), executed by Falcon Refining Company and payable to the order of American Energy Leasing, Inc., and any and all other indebtedness secured by and described in the Deed Of Trust, the above described two (2) promissory notes being herein collectively referred to as the "Notes," reference being hereby made to the Notes for all purposes; and

WHEREAS, the indebtedness evidenced by the Notes has matured, and the entire unpaid principal balance and interest remains due and payable, and American Energy Leasing, Inc. requested said Trustee to enforce the trust and exercise the rights, titles, powers and duties contained in the Deed Of Trust, including, but not limited to, the sale of the Property; and

WHEREAS, said Trustee, in compliance with the request of American Energy Leasing, Inc. and in accordance with law, did give legal notice of Trustee's Sale by posting Notice Of Trustee's Sale, dated September 14, 1987, for the time and in the manner

provided in the Deed Of Trust and in accordance with law, as is stated in the Affidavit Of Posting attached hereto as Exhibit "B," and made a part hereof for all purposes, and did offer the Property for sale at public auction at the door of the Courthouse in San Patricio County, Texas in the City of Sinton, Texas, on the 6th day of October, 1987, same being the first Tuesday in said month, between the hours of 10:00 a.m. and 4:00 p.m. to the highest bidder, for cash; and

WHEREAS, as is stated in the Affidavit Of Recording, attached hereto as Exhibit "C," and made a part hereof for all purposes, said Notice Of Trustee's Sale, dated September 14, 1987, was also filed in the Office of the County Clerk of San Patricio County, Texas, as required by law; and

WHEREAS, as is stated in the Affidavit Of Service, attached hereto as Exhibit "D," and made a part hereof for all purposes, American Energy Leasing, Inc., the holder of the Notes, and the beneficiary under the Deed Of Trust, served written notice of said Trustee's sale by certified mail, at least twenty-one (21) days before the date of said sale, on each debtor who, according to the records of American Energy Leasing, Inc., was obligated to pay the indebtedness evidenced by the Notes as required by law; and

WHEREAS, I, Richard F. Bergner, as Trustee under the Deed Of Trust, did on the 6th day of October, 1987, after there having been posted written notice of the time, place and terms of the public sale of the Property, which written notice was posted at the Courthouse door of San Patricio County, Texas, the county in which said Property is situated, and which notice was posted for at least twenty-one (21) days preceeding the date of sale, did sell the Property, at public vendue, at the Courthouse door of San Patricio County, Texas, to American Energy Leasing, Inc., it being the highest bidder, for cash in the sum of Three Million Six Hundred Thousand And No/100 Dollars (\$3,600,000.00); and

WHEREAS, all prerequisites required by law and/or the Deed Of Trust have been duly satisfied by the beneficiary therein and by the said Trustee.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that I, Richard F. Bergner, Trustee under the Deed Of Trust, as aforesaid, by virtue of the power and authority invested in and conferred upon me in the Deed Of Trust, for and in consideration of the premises and the sum of Three Million Six Hundred Thousand And No/100 Dollars (\$3,600,000.00) cash to me in hand paid by American Energy Leasing, Inc., receipt of which is hereby fully acknowledged and confessed, by these presents does hereby GRANT,

SELL and CONVEY unto the said American Energy Leasing, Inc., whose mailing address is No. 100 West Tenth Street, Wilmington, Delaware 19801, all and singular the Property.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto American Energy Leasing, Inc., its successors and assigns, forever, in fee simple; and I, Richard F. Bergner, Trustee under the Deed Of Trust, do hereby bind the said Falcon Refining Company, its successors and assigns, to warrant and forever defend the Property unto said American Energy Leasing, Inc., its successors and assigns, forever, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

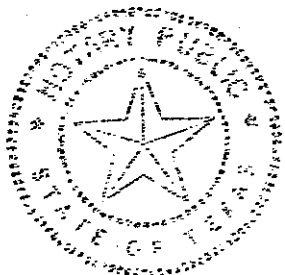
EXECUTED the 7th day of October, 1987, but effective for all purposes as of October 6th, 1987.



RICHARD F. BERGNER, Trustee

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

Before me, the undersigned authority, on this day personally appeared Richard F. Bergner, Trustee, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 7th day of October, 1987.



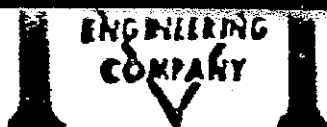

Notary Public in And For
The State Of TEXAS

Please Return To:

Richard F. Bergner
Attorney At Law
5718 Westheimer, Suite 700
Houston, Texas 77057

SUSAN JANE HAYWOOD
Notary Public in and for the State of Texas
My Commission Expires 7-23-88

CORPUS CHRISTI, TEXAS 78418
PHONE: 3121854071
TELEX: 767679



BRANCHES HOUSTON, TEXAS
SAN ANTONIO, TEXAS
CORPUS CHRISTI, TEXAS

RECORDING MEMORANDUM

At the time of recording, the instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. A duplicate edition and changes were shown at the time the instrument was filed and recorded.

October 10, 1984

Job No. C 19,597

STATE OF TEXAS
COUNTY OF SAN PATRICIO

FILE NO. 364191

TRACT 1

FIELDNOTE DESCRIPTION of a portion of Lots 4 and 5, Block O, Burton and Danforth Subdivision, as shown by map recorded in Volume 152, Page 1, Deed Records, San Patricio County, Texas, described as follows:

COMMENCING at the southeasterly corner of said Lot 4, being at the intersection of the centerline of Farm-to-Market Road 2725 with the centerline of a 40.00 foot public roadway between Blocks N and O of said subdivision;

THENCE, along the centerline of said 40.00 foot roadway and the southerly boundary of said Lot 4, N 55° 23' 00" W, at 50.00 feet pass the westerly right-of-way of said Farm-to-Market Road, in all 156.12 feet to the POINT OF BEGINNING of this tract;

THENCE, continuing along said centerline and boundary, N 55° 23' 00" W, 503.88 feet to the southwesterly corner of said Lot 5;

THENCE, along the westerly boundary of said Lot 5, N 34° 37' 00" E, at 20.00 feet pass a 5/8 inch iron rod found on the northerly right-of-way of said 40.00 foot roadway, in all 685.00 feet to a brass monument in concrete found;

THENCE, S 55° 23' 00" E, 610.00 feet to a 5/8 inch iron rod set on the westerly right-of-way of said Farm-to-Market Road;

THENCE, along said westerly right-of-way, S 34° 37' 00" W, 501.25 feet to a 5/8 inch iron rod found;

THENCE, N 55° 23' 00" W, 106.12 feet to a 5/8 inch iron rod found;

THENCE, S 34° 37' 00" W, at 163.75 feet pass a 5/8 inch iron rod found on the northerly right-of-way of said 40.00 foot roadway, in all 183.75 feet to the POINT OF BEGINNING.

CONTAINING 9.145 acres, more or less, of which 0.231 acre is in road right-of-way.

MAVERICK ENGINEERING COMPANY

BY: Michael Haas
Michael Haas
Registered Public Surveyor
Texas No. 2033

NOTES

THE STATE OF TEXAS
COUNTY OF SAN PATRICIO

CERTIFICATE OF LEGALITY AND AUTHENTICITY
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY

I, DOTTIE MALEY, County Clerk of San Patricio County, Texas, do hereby certify that the microfilming of the images between the Title Page and the Certificate of Legality and Authenticity has been in strict accordance with Article 1941(a), Vernon's Texas Civil Statutes, and that each image is a true, correct and exact copy of the page or pages of the identified instrument of writing, legal document, paper, or record which has been filed for record on the date and at the time stamped on each; that no splice was made in the original negative film between the Title Page and this Certificate.

I do further certify that the preceding images are part of the Official Public Records of Real Property of San Patricio County, Texas, ending with

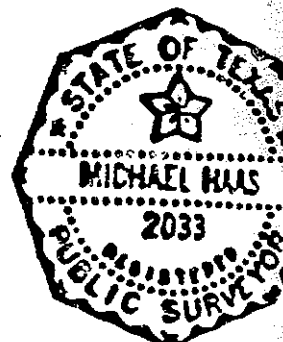
File No. 364191, Image Identification No. 168561

WITNESS MY HAND AND SEAL OF OFFICE, this the 9th day of October, 1987



Dottie Maley
DOTTIE MALEY, County Clerk
San Patricio County, Texas.

364191



168561

EXHIBIT "A"
PAGE 1 OF 30

I, DOTIE MALEY, County Clerk of San Patricio County, Texas, do hereby certify that the following images are part of the Official Public Records of Real Property of San Patricio County, Texas, starting with File No. **364191** Image Identification No. **168562**

WITNESS MY HAND AND SEAL OF OFFICE, this the **9th** day of **October**, 19**87**.



Dotie Maley
DOTIE MALEY, County Clerk
San Patricio County, Texas.

ROOM 14 MANUELLODA RD
P. O. BOX 3747
CORPUS CHRISTI, TEXAS 78418
PHONE: 512/844-0281
TELEX: 267499



CORPORATE OFFICES
CORPUS CHRISTI, TEXAS
BRANCHES: HOUSTON, TEXAS
SAN ANTONIO, TEXAS
CORPUS CHRISTI, TX

Job No. C 19,597

FILE NO. 364191

STATE OF TEXAS
COUNTY OF SAN PATRICIO

TRACT 2

FIELDNOTE DESCRIPTION of all of Lots 1 and 2, and a portion of Lot 3, Block N, AND a portion of Lots 1 and 2, Block M, AND all of Lot 4, Block JJ, AND a portion of Lot 4, Block JJ, Burton and Danforth Subdivision, as shown by map recorded in Volum 152, Page 1, Deed Records, San Patricio County, Texas, described as follows:

COMMENCING at the northwesterly corner of said Lot 3, Block N, being at the intersection of the centerline of Farm-to-Market Road 2725 with the centerline of a 40.00 foot roadway between Blocks N and O of said subdivision;

THENCE, along the centerline of said 40.00 foot roadway and the northerly boundary of said Lot 3, S 55° 23' 00" E, 50.00 feet to the easterly right-of-way of said Farm-to-Market Road, for the POINT OF BEGINNING of this tract;

THENCE, along said easterly right-of-way, S 34° 37' 00" W, at 20.00 feet pass a 5/8 inch iron rod set on the southerly right-of-way of said 40.00 foot roadway, at 1300.1 feet pass a 5/8 inch iron rod set on the northerly right-of-way of a 40.00 foot roadway between Blocks M and N of said subdivision, in all 1320.00 feet to a 5/8 inch iron rod set on the southerly boundary of said Lot 3, Block N, being on the centerline of said 40.00 foot roadway;

THENCE, along said centerline and southerly boundary, S 55° 23' 00" E, 280.00 feet to a 5/8 inch iron rod set at the southeasterly corner of said Lot 3, Block N, being the northwesterly corner of Lot 2, Block M;

THENCE, along the westerly boundary of said Lot 2, S 34° 37' 00" W, at 20.00 feet pass the southerly right-of-way of said 40.00 foot roadway, in all 660.00 feet to a 5/8 inch iron rod set;

THENCE, S 55° 23' 00" E, at 630.00 feet pass the westerly right-of-way of a 60.00 foot roadway between Blocks M and JJ, at 660.00 feet pass the centerline of said roadway and boundary between said Blocks M and JJ, in all 690.00 feet to a 5/8 inch iron rod found on the easterly right-of-way of said 60.00 foot roadway;

THENCE, along said easterly right-of-way, N 34° 37' 00" E, 420.89 feet to a 5/8 inch iron rod found;

THENCE, S 57° 11' 36" E, 219.92 feet to a 5/8 inch iron rod found;

THENCE, N 36° 16' 05" E, 252.27 feet to a 5/8 inch iron rod found on the northerly right-of-way of a 40.00 foot roadway between Blocks JJ and II;

364191

EXHIBIT "A"
PAGE 2 OF 20

168562

TRACT 2 (CONTINUED)

FILE NO. 364191

THENCE, along said northerly right-of-way, S 55° 23' 00" E, 72.92 feet to a 5/8 inch iron rod set on the boundary between Lots 3 and 4, Block 11;

THENCE, along said boundary, N 34° 37' 00" E, at 1280.00 feet pass a 5/8 inch iron rod set on the southerly right-of-way of a 40.00 foot roadway between Blocks 11 and 11H, in all 1300.00 feet to the centerline of said roadway, being the northeasterly corner of said Lot 4, Block 11;

THENCE, along said centerline and the boundary between Blocks 11 and 11H, and the boundary between Blocks 11 and 11H, N 55° 23' 00" W, 1270.00 feet to the POINT OF BEGINNING.

CONTAINING 50.113 acres, more or less, of which 4.070 acres is in road right-of-way.

MAVERICK ENGINEERING COMPANY

Not to scale
 All measurements are in feet and inches. The survey was made by Michael Haas, Registered Public Surveyor, Texas No. 2033, on October 10, 1984. The survey was made for the purpose of showing the boundary between Lots 3 and 4, Block 11, and the boundary between Blocks 11 and 11H, and the boundary between Blocks 11 and 11H, N 55° 23' 00" W, 1270.00 feet to the POINT OF BEGINNING.

BY:

Michael Haas
 Michael Haas

Registered Public Surveyor
 Texas No. 2033

MCH:MS



364191

168563

A. A refinery located in Ingleside, Texas, on 59.258 acres of land, more or less, and consisting of the following processing units and facilities:

- A complete 10,000 or 12,000 b/d atmospheric crude distillation unit, including 3 side strippers, distillate treating facilities and cooling tower.
- A complete 30,000 b/d atmospheric crude distillation unit, including 4 side strippers, diesel steam filter - coalescer and salt dryer and off-gas compressor and caustic treater, distillate treating facilities and cooling tower.
- A complete 20,000 b/d vacuum distillation unit, including cooling tower.
- A complete 15,000 b/d naphtha stabilizer
- Boiler house 20,000 lb/hr
- Firewater system, including 200 HP diesel driven firewater pump
- Waste water treatment system
- Tankage consisting of 31 tanks with a total capacity of approximately 1,179,250 barrels and transfer pumps
- Barge loading facilities and dock, including air operated hydraulic crane, flexible hoses, meters, and air eliminators, as well as packaged boiler, together with all other allied assets
- Two (2) truck loading racks, together with all facilities thereto

B. Laboratory equipment located in the metallic building adjacent to the two-story office building, at the intersection of FM 2725 and Bishop Road, San Patricio County, Texas, and consisting of the following:

- Fisher Model 1200 Gas Partitioner with Omni-Scribe recorder
- Princeton Gamma Tech Model 100 Chemical Analyser (Sulfur Mach.) w/Anadex Model EP-500 Printer
- L-X Heating Hydrometer Cylinders (2)
- Vapor Pressure Bath Unit
- Fisher Model 13-449 Colorimeter, ASTM D-1500
- Fisher/Tag, Ser. No. 113, Saybolt Chronometer
- Precision Scientific Cat. No. 74731 Distillation Machine (4)
- Fisher/Tag Model 13407 Flash Point Apparatus
- Koehler Instrument Co. Smoke Point Apparatus (Jet A)
- Precision Scientific Cat. No. 74700 Salt and Crude Analyser
- Fisher Model 315 Thermo Stirring Hot Plate
- Lab-Line Instruments Model No. 1405 Kwik-Set Lab-Chron Timer
- Fisher/Tag Ser. No. 1392 Saybolt Viscosimeter, ASTM D-88
- Precision Scientific Cat. No. 74946 Temp-Trol Viscosity Bath
- Koehler Model No. 1C-399 LPS Corrosion Bath
- Labconco Stainless Steel Glassware Washer

Vacuum Distillation Apparatus w/Vacuum Pump and (2) heating elements
 Koehler sample warmer, water by distillation
 Depentanization Apparatus ("poddlelniak")
 Fisher Model No. 350 Isotemp Oven
 Corning No. 125 ph Meter
 Bausch & Lomb Model No. 33-46-10 Refractometer
 Bausch & Lomb Model No. 33-22-01 Spectronic 21
 Fisher/Tag Ser. No. 1503 Tag Closed Meter, ASTM D-56
 GRA/Lab Model No. 171 Universal Timer
 M-6D Aqua Still Model No. M-6D, Ser. No. CD-621
 Oceanography Int'l. Ampulmatic Model No. 1360
 Dayton Electric Model No. 32394B Speedair Compressor
 Miscellaneous consumable laboratory supplies

C. All spare parts, inventory and tools presently located in or on the 59.258 acres of land described in Paragraph A. above and/or in or on the two-story office building and/or metallic building described in Paragraph B. above.

D. In addition to the processing units and facilities specifically described in Paragraph A. above, the refinery shall also include the following:

Flare system including "knock out" drum
 Kerosine Clay Tower
 Instrument Air Compressor with dryer
 Control Building with Control Panels
 Pump House with switch gear room

Leases, Easements and Permits

1. Lease Agreement dated March 26, 1979, from Coast Materials, Inc., as Lessor, to Uni Pipeline Company, as Lessee, covering the following described land situated in San Patricio County, Texas:

Being located on Red Fish Bay and BEGINNING at a point in the centerline of Ocean Drive, at 80 foot roadway opposite the Southeast corner of Lot Two (2), Bay Block Eight (8), as shown by map prepared by P. L. Telford dated December 9, 1909 and recorded in the Map Records of Aransas County, Texas, in Volume 1 at pages 62-63, a certified photostatic copy of which is filed in the Deed Records of San Patricio County, Texas, in Volume 152 at page 1, said point being in the Southeasterly projection of the South line of said Lot Two (2), Bay Block Eight (8) of said subdivision;

THENCE, N. 17° 16' 57" E., 345.7 feet along the centerline of Ocean Drive to a corner;

THENCE, N. 15° 24' 14" E., 349.46 feet along said centerline of Ocean Drive to a corner;

THENCE, N. 18° 04' 37" E., 344.24 feet along said centerline of Ocean Drive to a corner;

THENCE, N. 29° 15' E., 331.45 feet along said centerline of Ocean Drive to the Northwest corner of this tract;

THENCE, S. 55° 23' E., 270.01 feet with the Southeasterly projection of the North line of Lot Three (3), Bay Block Seven (7) of said subdivision to the shore of Red Fish Bay for the Northeast corner of this tract;

THENCE, with the shore of Red Fish Bay, S. 30° 06' 42" W., 331.02 feet;

THENCE, continuing with said shoreline, S. 32° 32' 03" W., 330.02 feet;

THENCE, along said shoreline, S. 32° 17' 15" E., 59.81 feet;

THENCE, along said shoreline, S. 16° 46' 10" W., 308.88 feet to a corner of this tract;

THENCE, along said shoreline, S. 23° 50' 07" W., 340.40 feet to the Southeast corner of this tract in the Southeasterly projection of the South line of Lot Two (2), Bay Block Eight (8) of said subdivision;

THENCE, N. 55° 23' W., 170.01 feet along said projection of the South line of said Lot Two (2) to the POINT OF BEGINNING, SAVE AND EXCEPT the East one-half (1/2) of Ocean Drive, an 80 foot roadway dedicated to the public use as such, containing 6.764 acres (including roadway), more or less, 5.505 acres, more or less, excluding one-half (1/2) roadway;

As the time of recording, this instrument was found to be defective for the best photographic reproduction because of illegible portions in photo copy, discolored paper and other conditions and changes were made at the time the instrument was filed and recorded.

FILE NO. 364191

5. Pipeline Resolution of the Commissioner's Court of San Patricio County, Texas dated April 28, 1978, authorizing Uni Oil, Inc. to lay, construct, maintain and operate pipelines under, through, across and along certain public roads and highways.

6. Permit No. 1191 dated January 19, 1978, issued by the State Department of Highways and Public Transportation of the State of Texas to Uni-Oil, pertaining to a pipeline across State Highway No. 361, San Patricio County, Texas.

7. Permit No. 1216 dated February 15, 1978, issued by the State Department of Highways and Public Transportation of the State of Texas to Uni Pipe Line, Inc., pertaining to a pipeline across F.M. No. 2725.

8. Perpetual 20' easement reserved in General Warranty Deed, dated May 8, 1984, from American Energy Leasing, Inc. ("Grantor") to A.C. Garrett, et al ("Grantees").

9. Perpetual 15' easement reserved in Warranty Deed, dated July 2, 1984, from American Energy Leasing, inc. ("Grantor") to Central Power and Light Company ("Grantee").

10. Pipeline and valve station easement reserved in General Warranty Deed (With Vendor's Lien), dated March 30, 1984, from American Energy Leasing, Inc. ("Grantor") to J.D. Construction & Refinery Maintenance, Inc. ("Grantee").

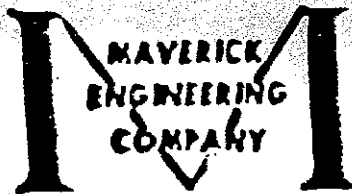
11. Resolution of the City of Aransas Pass, Texas, dated November 7, 1977, granting H & J Marine, Inc., its successors and assigns, the right to lay, construct, maintain and operate a pipeline under, through, across and along public roads and highways under the jurisdiction of the City of Aransas Pass, Texas; and Resolution of the Commissioners' Court of San Patricio County, Texas, dated November 14, 1977, granting to H & J Marine, Inc., its successors and assigns, the right to lay, construct, maintain, and operate a pipeline under, through, across and along public roads and highways under the jurisdiction of the County of San Patricio, Texas; which right of way grants and rights relating thereto were assigned by Assignment Of Right-Of-Way, dated January 23, 1978, from H & J Marine, Inc. to Uni Oil, Inc., and which right of way grants and rights relating thereto were assigned to Poda by Assignment of Rights of Way and Permit, dated January 31, 1983, and filed for record in the Official Public Records of Real Property of San Patricio County, Texas, under San Patricio County Clerk's File #315281, to which Resolutions and the assignments thereof reference is hereby made for all purposes.

12. Permit Number 1787, dated April 19, 1979, issued by the State Department of Highways And Public Transportation of the State of Texas to Uni Pipeline, Inc., pertaining to a pipeline through and under FM 1069 and FM 2725, San Patricio County, Texas, which Permit and the rights relating thereto were assigned to Poda by Assignment of Rights of Way and Permit, dated January 31, 1983, above described, to which Permit and the assignment thereof reference is hereby made for all purposes.

364191

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CHANCELLER
BOX 7767
CORPUS CHRISTI, TEXAS 78418
TELEPHONE: 512/854-0281
FAX: 567699



CORPORATE OFFICES
CORPUS CHRISTI, TEXAS
BRANCHES: HOUSTON, TEXAS
SAN ANTONIO, TEXAS
CORPUS CHRISTI, TEXAS

Job No. C 19,597

October 18, 1984

FILE NO. 364191

STATE OF TEXAS
COUNTY OF SAN PATRICIO

DESCRIPTION of a pipeline easement across a portion of Lots 1, 2 and 3, Block II, Burton and Danforth Subdivision, as shown by map recorded in Volume 152, Page 1, Deed Records, San Patricio County, Texas, described as follows.

COMMENCING at the northwest corner of said Lot 3, being on the centerline of a 40.00 foot roadway between Blocks II and III, said subdivision;

THENCE, along the common boundary between Lots 3 and 4, said Block II, S 34° 37' 00" W, 20.00 feet to the southerly right-of-way of said 40.00 foot roadway, for the POINT OF BEGINNING of this easement;

THENCE, along said southerly right-of-way, S 55° 23' 00" E, 960.00 feet to the westerly right-of-way of a 60.00 foot roadway between Blocks II and 9 of said subdivision;

THENCE, along said westerly right-of-way, S 34° 37' 00" W, 73.50 feet;

THENCE, N 55° 23' 00" W, 960.00 feet to the common boundary between said Lots 3 and 4, Block II;

THENCE, along said common boundary, N 34° 37' 00" E, 73.50 feet to the POINT OF BEGINNING.

MAVERICK ENGINEERING COMPANY

BY: Michael Haas
Michael Haas
Registered Public Surveyor
Texas No. 2033

MH:ms



364191

168569

RECORDING MEMORANDUM

At the time of recording, this instrument was found to be inadvisable for the best showing and reproduction of the original instrument on paper and the original instrument was changed and corrected at the time the instrument was filed and recorded.

October 10, 1984

FILE NO. 364191

Billman Homes, Inc.
4125 Violet Road
Corpus Christi, Texas 78410
Attn: Mr. Daniel H. Billman, President

Gentlemen:

Please make reference to that certain Earnest Money Contract dated September 24, 1984, between American Energy Leasing, Inc., a Delaware corporation ("Seller") and Billman Homes, Inc., a Texas corporation ("Purchaser"), covering 2.25 acres, more or less, out of Farm Lot 3, Land Block "O," Barton and Danforth Subdivision, San Patricio County, Texas, and all improvements thereon (the "Earnest Money Contract").

Simultaneously with the execution and delivery of this Letter Agreement, American Energy Leasing, Inc., one of the undersigned, has executed and delivered to Billman Homes, Inc., a General Warranty Deed covering the land referenced in the Earnest Money Contract and more particularly described by metes and bounds in the Exhibit "A," attached hereto and made a part hereof for all purposes (the "Land"), together with all improvements located on the Land.

The improvements located on the Land are a two-story prefabricated concrete building (the "Concrete Building") and a one-story metal building (the "Metal Building"), the location of which are outlined in a survey plat of the Land marked Exhibit "B" attached hereto and made a part hereof for all purposes.

Article V, Paragraph (A) of the Earnest Money Contract provides as follows:

"V. LEASE AND FURNITURE AND EQUIPMENT.

(A) Lease:

As part of the consideration for Seller conveying the Land to Purchaser, Purchaser agrees to lease to Seller, MidGulf Energy, Inc., or either of their assigns, at no cost or expense to Seller, MidGulf Energy, Inc. or either of their assigns, for a period of twenty-four (24) months, beginning the first day of the month immediately following the Closing (as herein defined) and ending twenty-four (24) full calendar months thereafter, the following:

(i) Three (3) contiguous executive offices, now located in the northwest corner on the ground floor of the two-story office and storage building located on and being a part of the Land (herein called the "Three Offices"); and

(ii) The area in the metal building located on and being a part of the Land in which Seller's laboratory is now located and as much of the remaining storage area in said metal building as Seller reasonably needs to store spare parts, tools,

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LHB.

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equipment and/or supplies relative to Seller's refinery located across Bishop Road from the Land.

Purchaser, however, shall have the right, at any time during said twenty-four (24) month period, to require Seller, MidGulf Energy, Inc. or either of their assigns to vacate the Three Offices upon reasonable notice and by making available, at Purchaser's sole cost and expense, executive offices comparable in size and quality, including, but not limited to, air conditioning and lighting, in either the two-story building or the metal building described above."

The purpose of this Letter Agreement is to implement and supplement the provisions of Article V, Paragraph (A) of the Earnest Money Contract, as follows:

(1) Lease: Billman Homes, Inc. ("Billman") does hereby lease to MidGulf Energy, Inc. ("MidGulf"), and MidGulf does hereby lease from Billman, (i) three contiguous executive offices located in the northwest corner on the ground floor of the Concrete Building and as outlined in red on the said Exhibit "B" (the "Three Offices"), (ii) the area in the Metal Building in which a laboratory is now located and as much of the remaining storage area in the Metal Building as MidGulf reasonably needs to store spare parts, tools, equipment and/or supplies relative to the refinery located across Bishop Road from the Land (the "Metal Building Space") and (iii) five (5) parking spaces adjacent to the Concrete Building and/or the Metal Building (the "Parking Spaces").

(2) Term: The term of this Lease Agreement shall begin on the date hereof and shall terminate on October 31, 1986, unless otherwise extended by mutual agreement.

(3) Rent: For the term of this Lease Agreement, MidGulf shall have no rental obligation to Billman, it being understood that part of the consideration for the conveyance by American Energy Leasing, Inc. to Billman of the Land and the improvements located thereon includes, but is not limited to, the lease of the Three Offices, the Metal Building Space and the Parking Spaces to MidGulf at no rental cost to MidGulf.

(4) Use: MidGulf shall have the right to use the Three Offices and the Metal Building Space for any lawful purpose.

(5) Relocation: Billman shall have the right at any time during the term of this Lease Agreement to require MidGulf to vacate the Three Offices upon reasonable notice and by making available, at Billman's sole cost and expense, executive offices comparable in size and quality to the Three Offices, including, but not limited to, air conditioning and lighting, in either the Concrete Building or the Metal Building.

(6) MidGulf's Covenants: MidGulf covenants and agrees as follows:

(a) To take good care of the Three Offices and the Metal Building Space and suffer no waste, and at the termination of this Lease Agreement, to deliver the Three Offices and the Metal Building Space to Billman in as good

Billman
Ests

condition as received by MidGulf, reasonable wear and tear and damage by fire, flood, windstorm, tornado, hurricane or other elements or, without limitation by the foregoing enumeration, other causes beyond MidGulf's control excepted;

(b) To comply with all valid ordinances, regulations and laws of any municipal or other governmental authority applicable to MidGulf's use of the Three Offices and/or the Metal Building Space;

(c) To keep the interior of the Three Offices and/or the Metal Building Space in a good state of repair;

(d) To pay all taxes assessed with respect to the personal property owned by MidGulf and kept on or used in connection with the Three Offices and/or the Metal Building Space; and

(e) To pay all charges for water, gas, electricity or other utilities incurred by MidGulf in connection with the use of the Three Offices and/or the Metal Building Space.

(7) Billman's Covenants: Billman covenants and agrees as follows:

(a) That Billman has good and marketable title to the Three Offices, the Metal Building Space and the Parking Spaces in fee simple absolute, and that the same are subject to no leases, tenancies, agreements, encumbrances, liens or defects in title adversely affecting them or the rights granted MidGulf in this Lease Agreement;

(b) To keep the exterior of the Concrete Building and the Metal Building in good repair, including, but not limited to, repair and maintenance of the roof and the structural soundness of the foundation and exterior walls, and to also keep in good repair the parking area in respect of the Parking Spaces;

(c) To pay all real property taxes assessed against the Land and the improvements located thereon before the same shall become delinquent; and

(d) To carry, at Billman's expense, fire and extended coverage insurance on the Concrete Building and the Metal Building, and any contents therein belonging to Billman, in an amount not less than 80% of the full insurable value thereof, and upon request therefor, Billman agrees to furnish MidGulf evidence of such coverage. Further, Billman does hereby waive and relinquish any right of recovery from MidGulf, its agents, servants or employees for loss resulting from their acts or failure to act, which loss is covered by such insurance.

(8) Signs: MidGulf shall have the right to install at its own expense its usual signs or other items identifying its business and to make such alterations, changes or additions on or to the Three Offices and/or the Metal Building Space as it finds necessary or convenient for its purposes, provided the Three Offices, the Metal

Billman

Building Space, the Concrete Building and/or the Metal Building shall not be structurally damaged thereby.

(9) Assignment: MidGulf shall have the right to assign this Lease Agreement without obtaining the consent of Landlord; however, any such assignment shall be subject to all the terms and provisions of this Lease Agreement, and upon any such assignment, MidGulf shall be relieved of the obligations imposed on or assumed by it hereunder.

(10) Hold Harmless: MidGulf agrees to hold harmless Billman from and against any and all claims, demands or causes of action for any damage to person or property caused by any negligence of MidGulf its agents, servants or employees.

(11) Notices: All notices and demands which may be or are required or permitted to be given by any party to any other party herewith shall be in writing and shall be deemed to have been delivered and received by the party to whom such notice or demand is addressed on the day following the day that such notice or demand is delivered to U.S. Post Office or an official depository under the care and custody of the United States Postal Services, certified mail, postage prepaid and addressed as follows:

If to MidGulf:

MidGulf Energy, Inc.
c/o Richard F. Bergner
5718 Westheimer, Suite 700
Houston, Texas 77057

If to Billman:

Billman Homes, Inc.
4125 Violet Road
Corpus Christi, Texas 78410
Attn: Daniel H. Billman, President

Said addresses may be changed from time to time by either party by notifying the other party in writing.

(12) Parties Bound: This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(13) Governing Law: This Lease Agreement and the performance thereof shall be construed in accordance with and be governed by the laws of the State of Texas.

If the foregoing correctly sets forth your understanding of the terms and conditions relative to the lease by MidGulf, its successors and assigns of the Three Offices, the Metal Building Space and the Parking Spaces above described, then please sign triplicate originals of this letter in the space provided below, and return two (2) executed originals

CMS
DHB

Billman Homes, Inc.
Page Five

RECORDERS MEMORANDUM
At the time of recording, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or spool copy, discolored paper, etc. All brackets, additions and changes were present at the time the instrument was filed and recorded.

FILE NO. 364191

to the undersigned, whereupon this Letter Agreement shall become a binding agreement in accordance with its terms and provisions.

AMERICAN ENERGY LEASING, INC.

By Richard F. Bergner
Richard F. Bergner, President

MIDGULF ENERGY, INC.

By Richard F. Bergner
Richard F. Bergner, President

AGREED TO and accepted this 10 day of October, 1984.

BILLMAN HOMES, INC.

By Daniel H. Billman (Pres.)
Daniel H. Billman, President

THE STATE OF TEXAS §
 §
COUNTY OF SAN PATRICIO §

This instrument was acknowledged before me on this the 10 day of October, 1984, by Richard F. Bergner, President of American Energy Leasing, Inc., a Delaware corporation, on behalf of said corporation.

Mary E. Riley
Notary Public in And For
The State Of TEXAS

364191

168574

EXHIBIT "A"
PAGE 14 OF 20

Billman Homes, Inc.
Page Six

RECORDING MEMORANDUM
At the time of recording, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

FILE NO. 364191

THE STATE OF TEXAS §
COUNTY OF SAN PATRICIO §

This instrument was acknowledged before me on this the 10 day of October, 1984, by Richard F. Bergner, President of MidGulf Energy, Inc., a Texas corporation, on behalf of said corporation.

May E. Riley
Notary Public in And For
The State of TEXAS

THE STATE OF TEXAS §
COUNTY OF SAN PATRICIO §

This instrument was acknowledged before me on this the 11 day of October, 1984, by Daniel H. Billman, President of Billman Homes, Inc., a Texas corporation, on behalf of said corporation.

May E. Riley
Notary Public in And For
The State of TEXAS

THE STATE OF TEXAS §
COUNTY OF SAN PATRICIO §

CERTIFICATE OF LEGALITY AND AUTHENTICITY
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY

I, DOTTIE MALEY, County Clerk of San Patricio County, Texas, do hereby certify that the microfilming of the images between the Title Page and the Certificate of Legality and Authenticity has been in strict accordance with Article 1941(a), Vernon's Texas Civil Statutes, and that each image is a true, correct and exact copy of the page or pages of the identified instrument of writing, legal document, paper, or record which has been filed for record on the date and at the time stamped on each; that no splice was made in the original negative film between the Title Page and this Certificate.

I do further certify that the preceding images are part of the Official Public Records of Real Property of San Patricio County, Texas, ending with

File No. 364191, Image Identification No. 168575

WITNESS MY HAND AND SEAL OF OFFICE, this the 9th day of October 19 87.



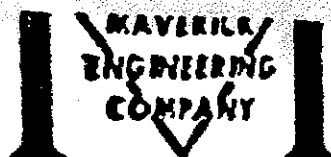
Dottie Maley
DOTTIE MALEY, County Clerk
San Patricio County, Texas.

364191

168575

EXHIBIT "A"
PAGE 15 OF 20

2 CHANCELLOR RD
P. BOX 9747
CORPUS CHRISTI, TEXAS 78413
PHONE: 8121854-0781



CORPUS CHRISTI, TEXAS
BRANCHES: HOUSTON, TEXAS
SAN ANTONIO, TEXAS
CORPUS CHRISTI, TEXAS

FILE NO Job No. C 26,376

October 4, 1984

FILE NO. 364191

STATE OF TEXAS
COUNTY OF SAN PATRICIO

FIELDNOTE DESCRIPTION of a portion of Lot 3, Block D, Burton and Danforth Subdivision, as shown by map recorded in Volume 152, Page 1, Deed Records, San Patricio County, Texas, described as follows:

COMMENCING at the southwesterly corner of said Lot 3, being at the intersection of the centerline of Farm-to-Market Road 2725 with the centerline of a 40.00 foot roadway between Blocks N and O of said subdivision;

THENCE, along the centerline of said 40.00 foot roadway and the southerly boundary of said Lot 3, S 55° 23' 00" E, 50.00 feet to the easterly right-of-way of said Farm-to-Market Road, for the POINT OF BEGINNING of this tract;

THENCE, along said easterly right-of-way, N 34° 37' 00" E, at 20.00 feet pass a 5/8 inch iron rod set on the northerly right-of-way of said 40.00 foot roadway, in all 394.97 feet to a 5/8 inch iron rod set inside a 1-1/2 inch iron pipe found;

THENCE, S 55° 23' 00" E, 280.00 feet to a 5/8 inch iron rod found on the easterly boundary of said Lot 3;

THENCE, along said easterly boundary, S 34° 37' 00" W, at 374.06 feet pass a brass monument in concrete found, at 374.97 feet pass the northerly right-of-way of said 40.00 foot roadway, in all 394.97 feet to the southeasterly corner of said Lot 3, being on the centerline of said 40.00 foot roadway;

THENCE, along said centerline and the southerly boundary of said Lot 3, N 55° 23' 00" W, 280.00 feet to the POINT OF BEGINNING.

CONTAINING 2.5388 acres, more or less, of which 0.1286 acre is in road right-of-way

MAVERICK ENGINEERING COMPANY

BY:

Michael Haas
Michael Haas

Registered Public Surveyor
Texas No. 2033

MH:ms

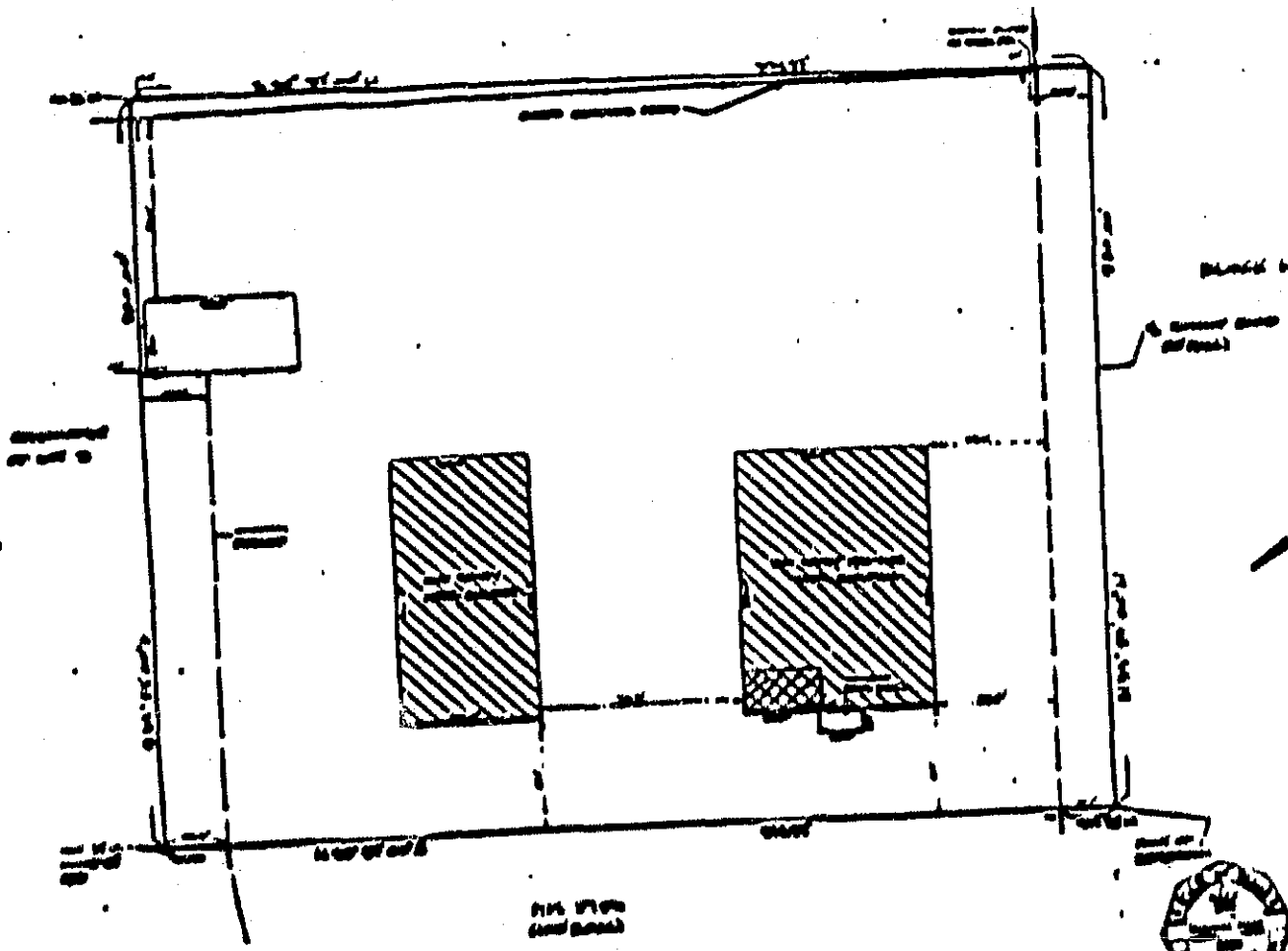
20743



364191

168576

EXHIBIT "A"
16 of 20



THIS ATTACHED POLICE REPORT DESCRIBES
 THE, AVAILABLE EVIDENCE, WHICH WAS A MURDER IN
 THE AREA OF THE FOREMAN PROPERTY AND IN CLAYTON DISTRICT
 THAT ARE IN VARIOUS AREAS (SUSPECT, FOREMAN, OR
 FOREMAN'S).
 BY: Michael H. H.
 ALLEGEDLY KNOWN TO THE DISTRICT CLERK
 NO. 121 FOR THE DISTRICT CLERK
 OF THE DISTRICT

		RECEIVED BY A PORTION OF LOT 1, BLOCK 1 DISTRICT OF COLUMBIA	
DATE	TIME	BY	INITIALS
10/1/77	10:00 AM	10/1/77	10:00 AM

Ex 1B

October 17, 1984

FILE NO. 364191

Mr. Daniel H. Billman
President
Billman Homes, Inc.
4125 Violet Road
Corpus Christi, Texas 78410

Dear Dan:

Please make reference to that certain Letter Agreement, dated October 10, 1984, between American Energy Leasing, Inc., a Delaware corporation, and MidGulf Energy, Inc., a Texas corporation, on the one hand, and Billman Homes, Inc., a Texas corporation, on the other hand (the "Lease Agreement").

As you know, the Lease Agreement was entered into as part and parcel of the sale by American Energy Leasing, Inc. to Billman Homes, Inc. of 2.5388 acres, more or less, of the surface estate out of Farm Lot 3 in Block "O," Burton & Danforth Subdivision, Abstract 184, San Patricio County, Texas and all improvements thereon; and furniture, fixtures and equipment described in Bill of Sale, dated October 10, 1984, from American Energy Leasing, Inc. to Billman Homes, Inc., reference being made to said Bill of Sale for all purposes.

This letter agreement shall serve as an addendum to the Lease Agreement (this "Addendum"). Terms defined in the Lease Agreement shall have the same meaning in this Addendum as in the Lease Agreement.

As we discussed, in addition to the Three Offices, the Metal Building Space and the Parking Spaces, it was agreed that MidGulf Energy, Inc., its successors and assigns, at no cost or expense (except as otherwise stated in this Addendum), shall also have the exclusive use and possession of office furniture and equipment (sold to Billman Homes, Inc. pursuant to said Bill of Sale) reasonably necessary for use in the Three Offices, as well as the exclusive use and possession of the storage racks and the portable metal building behind the Metal Building (also sold to Billman Homes, Inc. pursuant to said Bill of Sale), all for the term of the Lease Agreement.

MidGulf Energy, Inc., its successors and assigns, agrees to take good care of said office furniture and equipment, storage racks and portable building and, upon the termination of the Lease Agreement, to deliver them to Billman Homes, Inc. in as good condition as received, reasonable wear and tear excepted.

MidGulf Energy, Inc. also shall have the right to assign the rights and obligations contained in this Addendum without obtaining the consent of Billman Homes, Inc., provided that any such assignment shall be subject to the terms and provisions of this Addendum and upon such assignment, MidGulf Energy, Inc. shall be relieved of the obligations imposed on or assumed by it hereunder.

Except as supplemented by this Addendum, the Lease Agreement shall remain unchanged and in full force and effect.

364191

168578

EXHIBIT "A"
PAGE 18 OF 20

Mr. Daniel H. Billman
October 17, 1984
Page Two

RECORDED MEMORANDUM

At the time of recording, this instrument was found to be
adequate for the use of the recording jurisdiction.
checked if legally, correct or otherwise. If found
proper and all provisions, additions and changes
of record of the State and instrument was filed and recorded.

FILE NO. 364191

Please confirm your agreement with this Addendum by signing duplicate originals
hereof in the space provided below and returning the duplicate originals to the under-
signed. The third original also enclosed is for the files of Billman Homes, Inc.

Very truly yours,

AMERICAN ENERGY LEASING, INC.

By *Richard F. Bergher*
Richard F. Bergher, President

MIDGULF ENERGY, INC.

By *Richard F. Bergner*
Richard F. Bergner, President

AGREED AND accepted this 22nd day of October, 1984.

BILLMAN HOMES, INC.

By *Daniel H. Billman (Pres)*
Daniel H. Billman, President

364191

RECORDING MEMORANDUM

At the time of recording, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

FILE NO. 364191

1. Texas Air Control Board Permit No. R-6027 (Crude Oil Topping Plant and Barge Dock No. R-1 Ingleside, San Patricio County, Texas), Permit No. R-6625 (Crude Oil Topping Unit No. R-2 Ingleside, San Patricio County, Texas), and Permit No. C-7557 (Unleaded Gasoline Production Facility Ingleside, San Patricio County, Texas); and
2. Texas Department Of Water Resources Permit No. 02142, approved November 17, 1980, as renewed by Texas Water Commission order, dated March 30, 1983

364191

168580

AFFIDAVIT OF POSTING

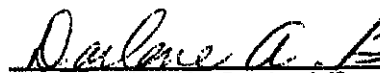
THE STATE OF T E X A S §
 §
 COUNTY OF SAN PATRICIO §

BEFORE ME, the undersigned authority, on this day personally appeared Richard D. Thompson, a person well known to me who, after being first duly sworn, upon oath stated as follows: "I, Richard D. Thompson, am a person over the age of eighteen (18) years; I have never been convicted of a felony or a crime of moral turpitude, and have personal knowledge of the facts set forth herein. Acting at the request of American Energy Leasing, Inc., beneficiary under that certain Deed Of Trust And Security Agreement, dated November 30, 1985, executed by Falcon Refining Company, to Richard F. Bergner, Trustee, recorded under the San Patricio County Clerk's File No. 344362 of the Official Public Records of Real Property of San Patricio County, Texas, securing payment of the indebtedness evidenced by that certain. (i) promissory note, dated November 30, 1985, in the original principal sum of Three Hundred Seventy-Six Thousand Nine Hundred Ninety-Five And No/100 Dollars (\$376,995.00), executed by Falcon Refining Company and payable to the order of American Energy Leasing, Inc., and (ii) promissory note, dated November 30, 1985, in the original principal sum of Two Million Two Hundred Thousand And No/100 Dollars (\$2,200,000.00), executed by Falcon Refining Company and payable to the order of American Energy Leasing, Inc. and any and all other indebtedness secured by and described in said Deed Of Trust, I have posted a signed copy of a Notice Of Trustee's Sale, a true and correct copy of which is marked Schedule 1, attached hereto and incorporated herein by reference for all purposes, at the following time and place: the Courthouse door of the County Courthouse of San Patricio County, Texas, 400 West Sinton Street, Sinton, Texas on September 14, 1987, at 1:35 o'clock p.m."

EXECUTED this 7th day of October, 1987.


 RICHARD D. THOMPSON, Affiant

SUBSCRIBED AND SWORN TO before me on this 7th day of October, 1987.


 Notary Public In And For
 The State Of T E X A S

364191

EXHIBIT "B"
 PAGE 1 OF 24

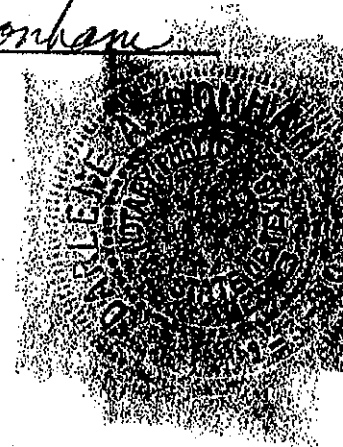
168581



THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 7th day of October, 1987, by
Richard D. Thompson.

Darlene A. Bonham
Notary Public In And For
The State Of TEXAS



NOTICE OF TRUSTEE'S SALE

THE STATE OF TEXAS §
 COUNTY OF SAN PATRICIO §

WHEREAS, by that certain Deed Of Trust And Security Agreement ("Deed Of Trust"), dated November 30, 1985, executed by Falcon Refining Company ("Falcon"), a Louisiana corporation, to Richard F. Bergner, Trustee, recorded under the San Patricio County Clerk's File No. 344362 of the Real Property Records of San Patricio County, Texas, to which reference is here made for all purposes, Falcon did convey the certain property (real, personal and/or mixed) situated in San Patricio County, Texas, and more particularly described on Exhibit "A," attached hereto and made a part hereof for all purposes, said property (real, personal and/or mixed) herein collectively referred to as the "Mortgaged Property."

WHEREAS, the Deed Of Trust secures the payment of the indebtedness evidenced by that certain (i) promissory note, dated November 30, 1985, in the original principal sum of Three Hundred Seventy-Six Thousand Nine Hundred Ninety-Five And No/100 Dollars (\$376,995.00), executed by Falcon and payable to the order of American Energy Leasing, Inc. ("AELI"), and (ii) promissory note, dated November 30, 1985, in the original principal sum of Two Million Two Hundred Thousand And No/100 Dollars (\$2,200,000.00), executed by Falcon and payable to the order of AELI, and any and all other indebtedness secured by and described in said Deed Of Trust, the above described two (2) promissory notes being herein collectively referred to as the "Notes."

WHEREAS, the indebtedness evidenced by the Notes is in default and the entire unpaid balance of the Notes is now due and payable; AELI has demanded payment of such of Falcon, and AELI, without in any way waiving any other rights and remedies in respect of the Notes and/or the Deed Of Trust, now intends to have the power of sale set forth in the Deed Of Trust enforced;

WHEREAS, AELI has directed the undersigned Trustee to enforce the power of sale under the Deed Of Trust for the purpose of collecting the indebtedness in respect of the Notes and as described in the Deed Of Trust, after giving notice in accordance with the terms of the Deed Of Trust and the laws of the State of Texas;

364191

Schedule 1
 Page 1 of 22

EXHIBIT "B"
 PAGE 3 OF 34

7231

FILED 168583

1:30 o'clock f

SEP 14 1987

DOYNE GALEY

J. S. Williams

NOW, THEREFORE, Notice is hereby given that on Tuesday, October 6, 1987, same being the first Tuesday in said month, between the hours of 10:00 o'clock a.m. and 4:00 o'clock p.m., I, Richard F. Bergner, Trustee, will accordingly, after having complied with the terms of sale set forth in the Deed Of Trust and the laws of the State of Texas, sell the Mortgaged Property at public auction to the highest bidder or bidders for cash at the Courthouse door of the County Courthouse of San Patricio County, Texas.

EXECUTED in multiple originals on this 14th day of September, 1987.


Richard F. Bergner, Trustee

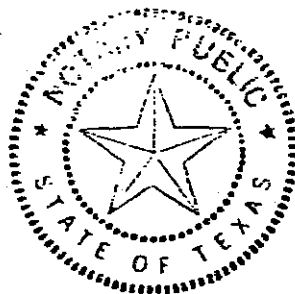
INFORMATION CONCERNING THIS
MATTER MAY BE OBTAINED FROM
THE TRUSTEE.

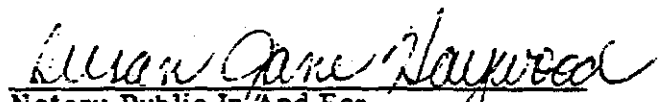
Address and Telephone Number of Trustee:

5718 Westheimer, Suite 700
Houston, Texas 77057
(713) 783-4832

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me the 14th day of September, 1987, by
Richard F. Bergner, Trustee.




Notary Public In And For
The State Of TEXAS

SUSAN JANE HAYWOOD
Notary Public in and for the State of Texas
My Commission Expires 7-23-88

Schedule 1
Page 2 of 22

364191.

CORPUS CHRISTI, TEXAS 78418
PHONE: 612/854-0711
TELEX: 767622



BRANCHES HOUSTON, TEXAS
SAN ANTONIO, TX
CORPUS CHRISTI, TX

RECORDING MEMORANDUM
At the time of recording, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, and other paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

October 10, 1984

Job No. C 19,597

STATE OF TEXAS
COUNTY OF SAN PATRICIO

FILE NO. 364191

TRACT 1

FIELDNOTE DESCRIPTION of a portion of Lots 4 and 5, Block O, Burton and Danforth Subdivision, as shown by map recorded in Volume 152, Page 1, Deed Records, San Patricio County, Texas, described as follows:

COMMENCING at the southeasterly corner of said Lot 4, being at the intersection of the centerline of Farm-to-Market Road 2725 with the centerline of a 40.00 foot public roadway between Blocks N and O of said subdivision;

THENCE, along the centerline of said 40.00 foot roadway and the southerly boundary of said Lot 4, N 55° 23' 00" W, at 50.00 feet pass the westerly right-of-way of said Farm-to-Market Road, in all 156.12 feet to the POINT OF BEGINNING of this tract;

THENCE, continuing along said centerline and boundary, N 55° 23' 00" W, 503.88 feet to the southwesterly corner of said Lot 5;

THENCE, along the westerly boundary of said Lot 5, N 34° 37' 00" E, at 20.00 feet pass a 5/8 inch iron rod found on the northerly right-of-way of said 40.00 foot roadway, in all 685.00 feet to a brass monument in concrete found;

THENCE, S 55° 23' 00" E, 610.00 feet to a 5/8 inch iron rod set on the westerly right-of-way of said Farm-to-Market Road;

THENCE, along said westerly right-of-way, S 34° 37' 00" W, 501.25 feet to a 5/8 inch iron rod found;

THENCE, N 55° 23' 00" W, 106.12 feet to a 5/8 inch iron rod found;

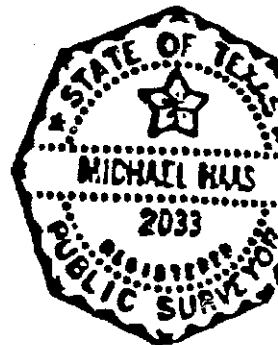
THENCE, S 34° 37' 00" W, at 163.75 feet pass a 5/8 inch iron rod found on the northerly right-of-way of said 40.00 foot roadway, in all 183.75 feet to the POINT OF BEGINNING.

CONTAINING 9.145 acres, more or less, of which 0.231 acre is in road right-of-way.

MAVERICK ENGINEERING COMPANY

BY: Michael Haas
Michael Haas
Registered Public Surveyor
Texas No. 2033

MH:ms



364191

168585

Schedule 1
Page 3 of 22

EXHIBIT "A"
PAGE 1 OF 20

EXHIBIT B
PAGE 5 OF 34

8002 CHANDLER AVE
P. O. BOX 7787
CORPUS CHRISTI, TEXAS 78411
PHONE: 512/844-0281
TELEX: 267489



CORPORATE OFFICES
CORPUS CHRISTI, TEXAS
BRANCHES HOUSTON, TEXAS
SAN ANTONIO, TEXAS
CORPUS CHRISTI, TEXAS

October 10, 1984

Job No. C 19,597

STATE OF TEXAS
COUNTY OF SAN PATRICIO

FILE NO. 364191

TRACT 2

FIELDNOTE DESCRIPTION of all of Lots 1 and 2, and a portion of Lot 3, Block M, AND a portion of Lots 1 and 2, Block M, AND all of Lot 4, Block II, AND a portion of Lot 4, Block JJ, Burton and Danforth Subdivision, as shown by map recorded in Volume 152, Page 1, Deed Records, San Patricio County, Texas, described as follows:

COMMENCING at the northwesterly corner of said Lot 3, Block M, being at the intersection of the centerline of Farm-to-Market Road 2725 with the centerline of a 40.00 foot roadway between Blocks M and O of said subdivision;

THENCE, along the centerline of said 40.00 foot roadway and the northerly boundary of said Lot 3, S 55° 23' 00" E, 50.00 feet to the easterly right-of-way of said Farm-to-Market Road, for the POINT OF BEGINNING of this tract;

THENCE, along said easterly right-of-way, S 34° 37' 00" W, at 20.00 feet pass a 5/8 inch iron rod set on the southerly right-of-way of said 40.00 foot roadway, at 1300.0 feet pass a 5/8 inch iron rod set on the northerly right-of-way of a 40.00 foot roadway between Blocks M and N of said subdivision, in all 1320.00 feet to a 5/8 inch iron rod set on the southerly boundary of said Lot 3, Block M, being on the centerline of said 40.00 foot roadway;

THENCE, along said centerline and southerly boundary, S 55° 23' 00" E, 280.00 feet to a 5/8 inch iron rod set at the southeasterly corner of said Lot 3, Block M, being the northwesterly corner of Lot 2, Block M;

THENCE, along the westerly boundary of said Lot 2, S 34° 37' 00" W, at 20.00 feet pass the southerly right-of-way of said 40.00 foot roadway, in all 660.00 feet to a 5/8 inch iron rod set;

THENCE, S 55° 23' 00" E, at 630.00 feet pass the westerly right-of-way of a 60.00 foot roadway between Blocks M and JJ, at 660.00 feet pass the centerline of said roadway and boundary between said Blocks M and JJ, in all 690.00 feet to a 5/8 inch iron rod found on the easterly right-of-way of said 60.00 foot roadway;

THENCE, along said easterly right-of-way, N 34° 37' 00" E, 420.89 feet to a 5/8 inch iron rod found;

THENCE, S 57° 11' 36" E, 219.92 feet to a 5/8 inch iron rod found;

THENCE, N 36° 16' 05" E, 252.27 feet to a 5/8 inch iron rod found on the northerly right-of-way of a 40.00 foot roadway between Blocks JJ and II;

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Schedule 1
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EXHIBIT "A"
PAGE 2 OF 20

EXHIBIT "B"
PAGE 1 OF 47

October 10, 1954

RECORDING MEMORANDUM

At the time of recording, this instrument was found to be inadequate for the new photographic reproduction because of illegibility, carbon or photo copy, restricted paper, etc. All bookwork, additions and changes, were present at the time the instrument was filed and recorded.

TRACT 2 (CONTINUED)

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THENCE, along said northerly right-of-way, S 55° 23' 00" E, 72.92 feet to a 5/8 inch iron rod set on the boundary between Lots 3 and 4, Block 11;

THENCE, along said boundary, N 34° 37' 00" E, at 1280.00 feet pass a 5/8 inch iron rod set on the southerly right-of-way of a 40.00 foot roadway between Blocks 11 and 11H, in all 1300.00 feet to the centerline of said roadway, being the northeasterly corner of said Lot 4, Block 11;

THENCE, along said centerline and the boundary between Blocks 11 and 11H, and the boundary between Blocks 11 and O, N 55° 23' 00" W, 1270.00 feet to the POINT OF BEGINNING.

CONTAINING 50.113 acres, more or less, of which 4.070 acres is in road right-of-way.

MAVERICK ENGINEERING COMPANY

BY:



Michael Haas
Registered Public Surveyor
Texas No. 2033

M:H:rs



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EXHIBIT "B"
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EXHIBIT

"A"

A. A refinery located in Ingleside, Texas, on 59.258 acres of land, more or less, and consisting of the following processing units and facilities:

A complete 10,000 or 12,000 b/d atmospheric crude distillation unit, including 3 side strippers, distillate treating facilities and cooling to

A complete 20,000 b/d atmospheric crude distillation unit, including 4 side strippers, diesel stream filter - coalescer and salt dryer and off-gas compressor and caustic treater, distillate treating facilities and cooling tower.

A complete 20,000 b/d vacuum distillation unit, including cooling tower.

A complete 15,000 b/d naphtha stabilizer

Boiler house 20,000 lb/hr

Firewater system, including 200 HP diesel driven firewater pump

Waste water treatment system

Tankage consisting of 31 tanks with a total capacity of approximately 1,179,250 barrels and transfer pumps

Barge loading facilities and dock, including air operated hydraulic crane, flexible hoses, meters, and air eliminators, as well as packaged boiler, together with all other allied assets

Two (2) truck loading racks, together with all facilities thereto

B. Laboratory equipment located in the metallic building adjacent to the two-story office building, at the intersection of FM 2725 and Bishop Road, San Patricio County, Texas, and consisting of the following:

Fisher Model 1200 Gas Partitioner with Omni-Scribe recorder

Princeton Gamma Tech Model 100 Chemical Analyser (Sulfur Mach.) w/Anadex Model EP-500 Printer

L-X Heating Hydrometer Cylinders (2)

Vapor Pressure Bath Unit

Fisher Model 13-449 Colorimeter, ASTM D-1500

Fisher/Tag, Ser. No. 113, Saybolt Chronometer

Precision Scientific Cat. No. 74731 Distillation Machine (4)

Fisher/Tag Model 13407 Flash Point Apparatus

Koehler Instrument Co. Smoke Point Apparatus (Jet A)

Precision Scientific Cat. No. 74700 Salt and Crude Analyser

Fisher Model 315 Theraix Stirring Hot Plate

Lab-Line Instruments Model No. 1495 Kirk-Sel Lab-Chron Timer

Fisher/Tag Ser. No. 1392 Saybolt Viscosimeter, ASTM D-88

Precision Scientific Cat. No. 74944 Temp-Trol Viscosity Bath

Koehler Model No. 1C-399 LPG Corrosion Bath

Labconco Stainless Steel Glassware Washer

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EXHIBIT "P"
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Vacuum Distillation Apparatus w/Vacuum Pump and (2) heating elements
Koehler sample warmer, water by distillation
Depentanization Apparatus ("poddleinak")
Fisher Model No. 350 Isotemp Oven
Corning No. 125 pH Meter
Bausch & Lomb Model No. 33-46-10 Refractometer
Bausch & Lomb Model No. 33-22-01 Spectronic 21
Fisher/Tag Ser. No. 1503 Tag Closed Meter, ASTM D-56
GRA/Lab Model No. 171 Universal Timer
M-6D Aqua Still Model No. M-6D, Ser. No. CD-621
Oceanography Int'l. Automatic Model No. 1360
Dayton Electric Model No. 3239B Speedair Compressor
Miscellaneous consumable laboratory supplies

C. All spare parts, inventory and tools presently located in or on the 59.258 acres of land described in Paragraph A. above and/or in or on the two-story office building and/or metallic building described in Paragraph B. above.

D. In addition to the processing units and facilities specifically described in Paragraph A. above, the refinery shall also include the following:

Flare system including "knock out" drum
Kerosine Clay Tower
Instrument Air Compressor with dryer
Control Building with Control Panels
Pump House with switch gear room

Leases, Easements and Permits

1. Lease Agreement dated March 26, 1979, from Coast Materials, Inc., as Lessor, to Uni Pipeline Company, as Lessee, covering the following described land situated in San Patricio County, Texas:

Being located on Red Fish Bay and BEGINNING at a point in the centerline of Ocean Drive, at 80 foot roadway opposite the Southeast corner of Lot Two (2), Bay Block Eight (8), as shown by map prepared by P. L. Telford dated December 9, 1909 and recorded in the Map Records of Aransas County, Texas, in Volume 1 at pages 62-63, a certified photostatic copy of which is filed in the Deed Records of San Patricio County, Texas, in Volume 152 at page 1, said point being in the Southeasterly projection of the South line of said Lot Two (2), Bay Block Eight (8) of said subdivision;

THENCE, N. 17° 16' 57" E., 345.7 feet along the centerline of Ocean Drive to a corner;

THENCE, N. 15° 24' 14" E., 349.46 feet along said centerline of Ocean Drive to a corner;

THENCE, N. 18° 04' 37" E., 344.24 feet along said centerline of Ocean Drive to a corner;

THENCE, N. 29° 15' E., 331.45 feet along said centerline of Ocean Drive to the Northwest corner of this tract;

THENCE, S. 55° 23' E., 270.01 feet with the Southeasterly projection of the North line of Lot Three (3), Bay Block Seven (7) of said subdivision to the shore of Red Fish Bay for the Northeast corner of this tract;

THENCE, with the shore of Red Fish Bay, S. 30° 06' 42" W., 331.02 feet;

THENCE, continuing with said shoreline, S. 32° 32' 03" W., 330.02 feet;

THENCE, along said shoreline, S. 32° 17' 15" E., 59.81 feet;

THENCE, along said shoreline, S. 16° 46' 10" W., 308.88 feet to a corner of this tract;

THENCE, along said shoreline, S. 23° 50' 07" W., 340.40 feet to the Southeast corner of this tract in the Southeasterly projection of the South line of Lot Two (2), Bay Block Eight (8) of said subdivision;

THENCE, N. 55° 23' W., 170.01 feet along said projection of the South line of said Lot Two (2) to the POINT OF BEGINNING, SAVE AND EXCEPT the East one-half (1/2) of Ocean Drive, an 80 foot roadway dedicated to the public use as such, containing 6.764 acres (including roadway), more or less, 5.505 acres, more or less, excluding one-half (1/2) roadway;

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SAVE AND EXCEPT, however, the following:

Beginning at a point in the center line of Ocean Drive where the center line of Sunray Road, a forty (40') foot county road, crosses said center line of Ocean Drive as shown by Burton and Danforth Subdivision map recorded in Vol. 1 at pages 62-63 of the map records of Aransas County, Texas, a certified photostatic copy of which is recorded in the Deed Records of San Patricio County, Texas, in Vol. 152, at page 1,

THENCE N. 18 deg. 4 min. 37 sec. East, 156.47 ft. along the center line of said Ocean Drive, an 80-foot roadway to the Northwest corner of this tract;

THENCE S. 55 deg. 25 min. East 218.55 feet to the shoreline of Redfish Bay for the Northeast corner of this tract;

THENCE S. 32 deg. 32 min. 3 sec. West, 150.1 feet with the shoreline of Redfish Bay;

THENCE S. 23 deg. 17 min. 15 sec. East, 59.47 feet along the shoreline;

THENCE S. 16 deg. 46 min. 10 sec. West, 308.88 feet along the shoreline;

THENCE S. 23 deg. 50 min. 7 sec. West, 340.40 feet along the shore to the Southeast corner of this tract;

THENCE N. 55 deg. 23 min. West, 170.17 feet to the Southwest corner in the center line of Ocean Drive;

THENCE N. 17 deg. 16 sec. 57 min. East, 345.70 feet with the center line of Ocean Drive to a corner;

THENCE N. 15 deg. 24 min. 14 sec. East, 349.46 feet along the center line of Ocean Drive to the point of beginning, containing 3.74 acres, save and except the East one-half (1/2) of Ocean Drive embraced within the above metes and bounds.

2. Pipeline Easement dated March 23, 1978, from Hugh C. Jackson to Uni Pipe Line Inc., covering a portion of Lot 4, Block B-B and Lots 3 and 4, Block A-A of the Burton and Danforth Subdivision, San Patricio County, Texas.

3. Pipeline Easement dated March 17, 1978, from Dorothy Cathings to Uni Pipe Line, Inc., covering a portion of Lots 1, 2 and 3, Block "U" and Lot 3, Block "T" of the Burton and Danforth Subdivision, San Patricio County, Texas.

4. Pipeline Easement dated March 20, 1978, from Florence J. Duphorne to Uni Pipe Line, Inc., covering a portion of Lots 2 and 3, Block A-A of the Burton and Danforth Subdivision, San Patricio County, Texas.

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5. Pipeline Resolution of the Commissioner's Court of San Patricio County, Texas dated April 28, 1978, authorizing Uni Oil, Inc. to lay, construct, maintain and operate pipelines under, through, across and along certain public roads and highways.

6. Permit No. 1191 dated January 19, 1978, issued by the State Department of Highways and Public Transportation of the State of Texas to Uni-Oil, pertaining to a pipeline across State Highway No. 361, San Patricio County, Texas.

7. Permit No. 1216 dated February 15, 1978, issued by the State Department of Highways and Public Transportation of the State of Texas to Uni Pipe Line, Inc., pertaining to a pipeline across F.M. No. 2725.

8. Perpetual 20' easement reserved in General Warranty Deed, dated May 8, 1984, from American Energy Leasing, Inc. ("Grantor") to A.C. Garrett, et al ("Grantees").

9. Perpetual 15' easement reserved in Warranty Deed, dated July 2, 1984, from American Energy Leasing, inc. ("Grantor") to Central Power and Light Company ("Grantee").

10. Pipeline and valve station easement reserved in General Warranty Deed (With Vendor's Lien), dated March 30, 1984, from American Energy Leasing, Inc. ("Grantor") to J.D. Construction & Refinery Maintenance, Inc. ("Grantee").

11. Resolution of the City of Aransas Pass, Texas, dated November 7, 1977, granting H & J Marine, Inc., its successors and assigns, the right to lay, construct, maintain and operate a pipeline under, through, across and along public roads and highways under the jurisdiction of the City of Aransas Pass, Texas; and Resolution of the Commissioners' Court of San Patricio County, Texas, dated November 14, 1977, granting to H & J Marine, Inc., its successors and assigns, the right to lay, construct, maintain, and operate a pipeline under, through, across and along public roads and highways under the jurisdiction of the County of San Patricio, Texas; which right of way grants and rights relating thereto were assigned by Assignment Of Right-Of-Way, dated January 23, 1978, from H & J Marine, Inc. to Uni Oil, Inc., and which right of way grants and rights relating thereto were assigned to Poda by Assignment of Rights of Way and Permit, dated January 31, 1983, and filed for record in the Official Public Records of Real Property of San Patricio County, Texas, under San Patricio County Clerk's File #315281, to which Resolutions and the assignments thereof reference is hereby made for all purposes.

12. Permit Number 1787, dated April 19, 1979, issued by the State Department of Highways And Public Transportation of the State of Texas to Uni Pipeline, Inc., pertaining to a pipeline through and under FM 1069 and FM 2725, San Patricio County, Texas, which Permit and the rights relating thereto were assigned to Poda by Assignment of Rights of Way and Permit, dated January 31, 1983, above described, to which Permit and the assignment thereof reference is hereby made for all purposes.

CHANCELLOR ADM
BOX 7787
CORPUS CHRISTI, TEXAS 78411
TE: (512) 844-0281
EX: 967499



CORPORATE OFFICES
CORPUS CHRISTI, TEXAS
BRANCHES: HOUSTON, TEXAS
SAN ANTONIO, TEXAS
CORPUS CHRISTI, TEXAS

Job No. C 19,597

October 18, 1984

FILE NO. 364191

RECORDED'S MARK 10-0154
At the time of recording, this instrument was found to be
inadequate for the best photographic reproduction
because of illegibility, carbon or other copy, or other
paper. All blockouts, additions, and changes were
present at the time the instrument was filed and recorded.

STATE OF TEXAS
COUNTY OF SAN PATRICIO

DESCRIPTION of a ~~pipeline~~ pipeline easement across a portion of Lots 1, 2 and 3,
Block II, Burton and Danforth Subdivision, as shown by map recorded in Volume 152,
Page 1, Deed Records, San Patricio County, Texas, described as follows:

COMMENCING at the northwest corner of said Lot 3, being on the centerline of a
40.00 foot roadway between Blocks II and III, said subdivision;

THENCE, along the common boundary between Lots 3 and 4, said Block II,
S 34° 37' 00" W, 20.00 feet to the southerly right-of-way of said 40.00
foot roadway, for the POINT OF BEGINNING of this easement;

THENCE, along said southerly right-of-way, S 55° 23' 00" E, 960.00 feet to the
westerly right-of-way of a 60.00 foot roadway between Blocks II and 9 of said
subdivision;

THENCE, along said westerly right-of-way, S 34° 37' 00" W, 73.50 feet;

THENCE, N 55° 23' 00" W, 960.00 feet to the common boundary between said Lots 3
and 4, Block II;

THENCE, along said common boundary, N 34° 37' 00" E, 73.50 feet to the POINT OF
BEGINNING.

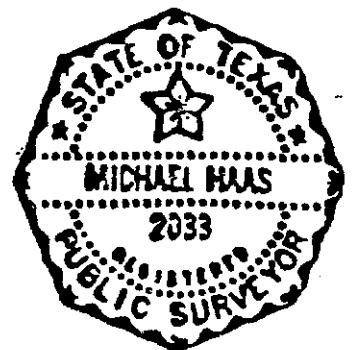
MAVERICK ENGINEERING COMPANY

BY:

Michael Haas

Michael Haas
Registered Public Surveyor
Texas No. 2033

MH:ms



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EXHIBIT "B"
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EXHIBIT "A"
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October 10, 1984

FILE NO. 364191

Billman Homes, Inc.
4125 Violet Road
Corpus Christi, Texas 78410
Attn: Mr. Daniel H. Billman, President

Gentlemen:

Please make reference to that certain Earnest Money Contract dated September 24, 1984, between American Energy Leasing, Inc., a Delaware corporation ("Seller") and Billman Homes, Inc., a Texas corporation ("Purchaser"), covering 2.25 acres, more or less, out of Farm Lot 3, Land Block "O," Barton and Danforth Subdivision, San Patricio County, Texas, and all improvements thereon (the "Earnest Money Contract").

Simultaneously with the execution and delivery of this Letter Agreement, American Energy Leasing, Inc., one of the undersigned, has executed and delivered to Billman Homes, Inc., a General Warranty Deed covering the land referenced in the Earnest Money Contract and more particularly described by metes and bounds in the Exhibit "A," attached hereto and made a part hereof for all purposes (the "Land"), together with all improvements located on the Land.

The improvements located on the Land are a two-story prefabricated concrete building (the "Concrete Building") and a one-story metal building (the "Metal Building"), the location of which are outlined in a survey plat of the Land marked Exhibit "B" attached hereto and made a part hereof for all purposes.

Article V, Paragraph (A) of the Earnest Money Contract provides as follows:

"V. LEASE AND FURNITURE AND EQUIPMENT.

(A) Lease:

As part of the consideration for Seller conveying the Land to Purchaser, Purchaser agrees to lease to Seller, MidGulf Energy, Inc., or either of their assigns, at no cost or expense to Seller, MidGulf Energy, Inc. or either of their assigns, for a period of twenty-four (24) months, beginning the first day of the month immediately following the Closing (as herein defined) and ending twenty-four (24) full calendar months thereafter, the following:

(i) Three (3) contiguous executive offices, now located in the northwest corner on the ground floor of the two-story office and storage building located on and being a part of the Land (herein called the "Three Offices"); and

(ii) The area in the metal building located on and being a part of the Land in which Seller's laboratory is now located and as much of the remaining storage area in said metal building as Seller reasonably needs to store spare parts, tools,

A.V.
L.B.

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EXHIBIT B
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EXHIBIT

21 A 2

equipment and/or supplies relative to Seller's refinery located across Bishop Road from the Land.

Purchaser, however, shall have the right, at any time during said twenty-four (24) month period, to require Seller, MidGulf Energy, Inc. or either of their assigns to vacate the Three Offices upon reasonable notice and by making available, at Purchaser's sole cost and expense, executive offices comparable in size and quality, including, but not limited to, air conditioning and lighting, in either the two-story building or the metal building described above."

The purpose of this Letter Agreement is to implement and supplement the provisions of Article V, Paragraph (A) of the Earnest Money Contract, as follows:

(1) Lease: Billman Homes, Inc. ("Billman") does hereby lease to MidGulf Energy, Inc. ("MidGulf"), and MidGulf does hereby lease from Billman, (i) three contiguous executive offices located in the northwest corner on the ground floor of the Concrete Building and as outlined in red on the said Exhibit "B" (the "Three Offices"), (ii) the area in the Metal Building in which a laboratory is now located and as much of the remaining storage area in the Metal Building as MidGulf reasonably needs to store spare parts, tools, equipment and/or supplies relative to the refinery located across Bishop Road from the Land (the "Metal Building Space") and (iii) five (5) parking spaces adjacent to the Concrete Building and/or the Metal Building (the "Parking Spaces").

(2) Term: The term of this Lease Agreement shall begin on the date hereof and shall terminate on October 31, 1985, unless otherwise extended by mutual agreement.

(3) Rent: For the term of this Lease Agreement, MidGulf shall have no rental obligation to Billman, it being understood that part of the consideration for the conveyance by American Energy Leasing, Inc. to Billman of the Land and the improvements located thereon includes, but is not limited to, the lease of the Three Offices, the Metal Building Space and the Parking Spaces to MidGulf at no rental cost to MidGulf.

(4) Use: MidGulf shall have the right to use the Three Offices and the Metal Building Space for any lawful purpose.

(5) Relocation: Billman shall have the right at any time during the term of this Lease Agreement to require MidGulf to vacate the Three Offices upon reasonable notice and by making available, at Billman's sole cost and expense, executive offices comparable in size and quality to the Three Offices, including, but not limited to, air conditioning and lighting, in either the Concrete Building or the Metal Building.

(6) MidGulf's Covenants: MidGulf covenants and agrees as follows:

(a) To take good care of the Three Offices and the Metal Building Space and suffer no waste, and at the termination of this Lease Agreement, to deliver the Three Offices and the Metal Building Space to Billman in as good

At the time of recording, this instrument was found to be in compliance with the best photographic reproduction of the original, carbon or photo copy, discarding paper, etc. All locations, additions and changes were noted at the time the instrument was filed and recorded.

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condition as received by MidGulf, reasonable wear and tear and damage by fire, flood, windstorm, tornado, hurricane or other elements or, without limitation by the foregoing enumeration, other causes beyond MidGulf's control excepted;

(b) To comply with all valid ordinances, regulations and laws of any municipal or other governmental authority applicable to MidGulf's use of the Three Offices and/or the Metal Building Space;

(c) To keep the interior of the Three Offices and/or the Metal Building Space in a good state of repair;

(d) To pay all taxes assessed with respect to the personal property owned by MidGulf and kept on or used in connection with the Three Offices and/or the Metal Building Space; and

(e) To pay all charges for water, gas, electricity or other utilities incurred by MidGulf in connection with the use of the Three Offices and/or the Metal Building Space.

(7) Billman's Covenants: Billman covenants and agrees as follows:

(a) That Billman has good and marketable title to the Three Offices, the Metal Building Space and the Parking Spaces in fee simple absolute, and that the same are subject to no leases, tenancies, agreements, encumbrances, liens or defects in title adversely affecting them or the rights granted MidGulf in this Lease Agreement;

(b) To keep the exterior of the Concrete Building and the Metal Building in good repair, including, but not limited to, repair and maintenance of the roof and the structural soundness of the foundation and exterior walls, and to also keep in good repair the parking area in respect of the Parking Spaces;

(c) To pay all real property taxes assessed against the Land and the improvements located thereon before the same shall become delinquent; and

(d) To carry, at Billman's expense, fire and extended coverage insurance on the Concrete Building and the Metal Building, and any contents therein belonging to Billman, in an amount not less than 80% of the full insurable value thereof, and upon request therefor, Billman agrees to furnish MidGulf evidence of such coverage. Further, Billman does hereby waive and relinquish any right of recovery from MidGulf, its agents, servants or employees for loss resulting from their acts or failure to act, which loss is covered by such insurance.

(8) Signs: MidGulf shall have the right to install at its own expense its usual signs or other items identifying its business and to make such alterations, changes or additions on or to the Three Offices and/or the Metal Building Space as it finds necessary or convenient for its purposes, provided the Three Offices, the Metal

Billman